Demand

N.I.O.S
ECONOMICS CLASS 10

Ch-9

Defn

- Definition of Demand :- Demand for a good is defined as the quantity of the good purchased at a given price at given time.

- The Three Components of Demand

(a) Price of the commodity.
(b) Quantity of the Commodity bought.
(c) Time period.

- Desire :- Simply refers to the mere wish of a person to have a particular commodity.

- Demand :- Demand refers to the ability and willingness of a consumer/customer to pay for a particular commodity

☆ Factors Affecting Individual Demand:

(1) Price of the Commodity

The demand of the Commodity is depend on the price of the commodity, if the price of the Commodity is high the consumer will demand ~~more~~ less, if the price of the commodity low the consumer will demand more.

(2) Taste, preferences and fashion

The demand of the commodity is depend upon the Taste, preferences and fashion. The demand of the commodity rises according to the preference and Taste of a consumer. for example In summers the Demand of Ice-cream rises, ~~accor~~ While In ~~su~~ winters the demand of woolen clothes are rises according to the taste of consumer.

(3) Price of related goods:-

The demand for a commodity is also influenced by the price of its related goods

Substitute goods :- Substitute goods are those goods which can easily be used in place of each other, example of substitute goods are Tea and coffee , Pepsi and Coca-cola.

Complementary goods :- Complementary goods are those goods which are used together in satisfing a particular want. for ex:- if we have a car, we also required petrol to run.

(4) Income of the buyer :- Demand of a commodity is also affected by the income of the buyer, if the income of the buyer rises He/she will demand more, if the income of the buyer/consumer falls He/she

will demand less.

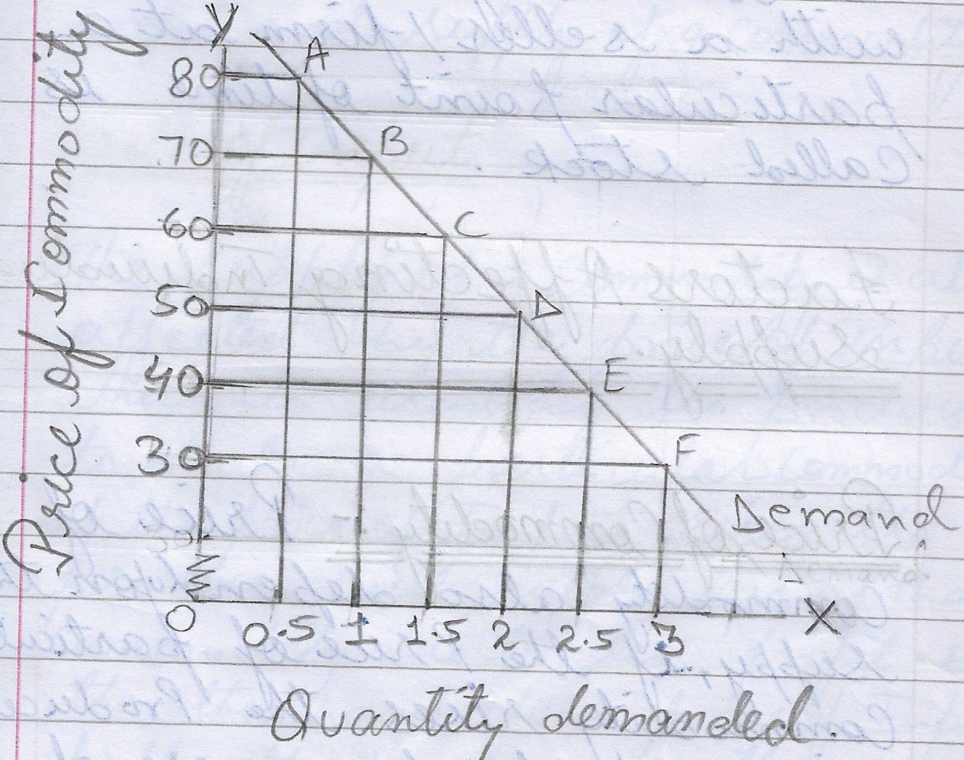
Normal Goods:- Normal goods are those goods whose demand increases with the increase in income of the consumer. example full cream milk and butter etc

Inferior Goods:- Inferior goods are those goods whose demand decreases when the income of the buyer increases. ~~so~~ for example:- Jowar, bajra etc.

Law of Demand

This Law states that other thing remains constant there is a inverse relationship between ~~Demand~~ Quantity demand and its price. When the price rises, the Quantity demand decreases and Vice-Versa.

Price	Quantity
0	0
30	3
40	2.5
50	2
60	1.5
70	1
80	0.5



Individual Demand Curve